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**UNITED STATES DISTRICT COURT**  
**DISTRICT OF NEVADA**

DENNIS MONTGOMERY and the  
 MONTGOMERY FAMILY TRUST,

Plaintiffs,

vs.

ETREPPID TECHNOLOGIES, LLC, WARREN  
 TREPP, and the UNITED STATES  
 DEPARTMENT OF DEFENSE,

Defendants.

AND RELATED CASES.

Case No. 3:06-CV-00056-PMP-VPC  
 BASE FILE

(Consolidated with Case No. 3:06-CV-  
 00145-PMP-VPC)

**THE MONTGOMERY PARTIES'  
 REPORT RE COMPLIANCE WITH  
 COURT'S MAY 29, 2008 ORDER  
 REGARDING SOURCE CODE  
 DISCOVERY**

Dennis Montgomery ("Montgomery") and the Montgomery Family Trust (jointly, "the  
 Montgomery Parties") hereby file this Report in response to this Court's July 3, 2008 Order (the  
 "District Court Order") affirming Magistrate Judge Cooke's May 29, 2008 Order Regarding Source  
 Code Discovery (the "Source Code Order").

1 The Montgomery Parties construe paragraph V.5 of the Source Code Order as seeking a  
2 proposed timeline for compliance with the Source Code Order as concerns the Montgomery  
3 Parties' production of certain source code. If the Montgomery's interpretation is not correct and  
4 the Court requires further information, the Montgomery Parties will promptly supplement the  
5 report to comply with any further direction.

6 The Montgomery Parties do not have CD No. 1 that was transferred to eTreppid  
7 Technologies LLC ("eTreppid") pursuant to the Contribution Agreement, but have electronic files  
8 that they reasonably believe constitute portions of the source code that was transferred to eTreppid  
9 on CD No. 1. The development and application of the source code stretches back over many years.  
10 The Montgomery Parties are diligently searching millions of available files and anticipate that their  
11 efforts to identify, retrieve and produce these files will be completed by October 30, 2008.

12 With respect to source code developed by Montgomery in the fields of object tracking,  
13 pattern recognition and anomaly detection created in or after 1998—i.e., source code that was not  
14 transferred to eTreppid under the Contribution Agreement—the Montgomery Parties respectfully  
15 submit that the Court's Source Code Order requiring the production of these documents is in error.  
16 The Montgomery Parties intend to file a Petition for a Writ of Mandamus with the Ninth Circuit to  
17 vacate the Source Code Order to the extent it requires production of any source code and related  
18 information other than the data compression technology that the Montgomery Parties transferred to  
19 eTreppid under the Contribution Agreement. The Montgomery Parties will seek an order staying  
20 the enforcement of the Source Code Order pending a determination of the Writ Petition.

21 As permitted by the Court's July 15, 2008 Order (Docket # 760), the Montgomery Parties  
22 intend to seek a modification of the general Protective Order in this case (Docket # 264) to further  
23 ensure that technology and trade secrets ordered produced in this litigation are fully protected from  
24 disclosure, misappropriation or other misuse. If the Writ of Mandamus is denied, the Montgomery  
25 Parties will produce source in their possession, custody or control, code within 30 days after there

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1 has been a final determination on the Montgomery Parties' motion to modify the protective order.  
2 Any such production will be pursuant to the terms of the protective order then in effect.

3 Dated: July 23, 2008

LINER YANKELEVITZ  
SUNSHINE & REGENSTREIF LLP

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5 By: \_\_\_\_\_/S/\_\_\_\_\_  
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10 Counterdefendants OPSRING LLC and EDRA  
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**CERTIFICATE OF SERVICE**

Pursuant to NRCP 5(b), I certify that I am an employee of the Law Offices Of Liner Yankelovitz Sunshine & Regenstreif LLP, and that on July 23, 2008, I caused to be served the within document described as **THE MONTGOMERY PARTIES' REPORT RE COMPLIANCE WITH COURT'S MAY 29, 2008 ORDER REGARDING SOURCE CODE DISCOVERY** on the interested parties in this action as stated below:

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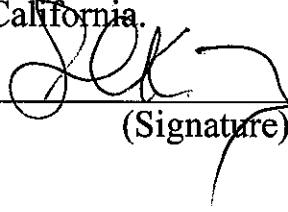
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☒ **[ELECTRONIC]** By filing the document(s) electronically with the U.S. District Court and therefore the court's computer system has electronically delivered a copy of the foregoing document(s) to the persons listed above at their respective email address.

1 I declare under penalty of perjury under the laws of the State of California and  
2 the United States of America that the foregoing is true and correct.

3 Executed on July 23, 2008, at Los Angeles, California.

4 Sklar K. Toy  
5 (Type or print name)

6   
7 (Signature)